

MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Max Baucus (D-Mont.)
Re: Updates on Baucus Medicare bill

This afternoon, Senate Finance Committee Chairman Max Baucus announced his intention to add a delay of the durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive acquisition program (CAP) to S. 3101, the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

Senator Baucus and other Members of Congress have received reports about potential inaccuracies in the implementation of the CAP program. These reports range from suppliers who believe they were wrongly disqualified to questions about the clarity and consistency of information that suppliers received during the bidding process. Some providers were awarded contracts to serve areas in which they did not previously have a presence. Other suppliers were awarded contracts for service lines with which they have little or no experience.

While expressing support for the concept of competitive bidding as a way to decrease costs, Senator Baucus emphasized that it is the obligation of Congress to make sure that these savings are not at the expense of beneficiary access to the care that they need in their own communities. He believes that Congress should take a closer look to make sure this program lives up to its potential.

“In order to ensure that we are getting the best possible price and quality for beneficiaries, it is critical that the competitive bidding process be accurate and inclusive,” said Senator Baucus. **“I am most concerned about the impact that a poorly designed program will have on Medicare beneficiaries, many of whom are confused about what this new program means for them and are concerned that they won’t be able to get care from someone in their own community.”**

The MIPPA is scheduled for a cloture vote tomorrow. Senator Baucus said he will include the delay provisions in the substitute amendment he will offer after the bill passes the cloture vote.

Please see attached a CRS summary of Chairman Baucus’s Medicare bill. A CBO score will be made available shortly.